MERCIALYS

PRESS RELEASE

2024 NET RECURRENT EARNINGS UP +3.8%
SUPPORTING A SUSTAINED DISTRIBUTION LEVEL

Paris, February 12, 2025

In 2024, Mercialys achieved a solid performance, reflecting the realignment and improvement in the quality of its portfolio, as well as the successful diversification of its rental mix.

- **Net recurrent earnings (NRE) of Euro 113.1 million (+3.8%) and Euro 1.21 per share (+3.7%), +170bp higher than the target**
- **Organic rental income growth of +3.9%**
- **Strong outperformance (+150bp) in terms of footfall at +2.7% compared with the national panel**
  Excluding the Brest site, where the hypermarket' operation is currently in transition, this outperformance reaches +210bp.
- **Retailer sales up +2.1% year-on-year, +80bp above the national panel**
- **Current financial occupancy rate up to its highest level since 2019 at 97.1%**
  The Company's 33 strategic sites, i.e. 80% of its sites representing more than 95% of its total portfolio value, show an average financial occupancy rate of 98%, with a frictional vacancy level.
- **Occupancy cost ratio stable at 10.8%, with upside reversion potential following three years of high indexation**
- **Portfolio value up +1.3% like-for-like and year-on-year to Euro 2,761.2 million including transfer taxes**
  This upturn reflects a portfolio that has been completely re-anchored, as well as the rental diversification achieved, thanks to the successful operational transition of food operators in the hypermarkets and the transition underway at the Niort and Brest sites.
- **Appraisal yield rate of 6.65%, +344bp higher than the risk-free rate**
- **EPRA NTA stable compared with 2023 at Euro 16.29 per share**
- **Successful arbitrage policy (Euro 135 million of assets, for 100% of their value, divested at their appraisal levels) once again confirming the very good liquidity of the Company's portfolio**
  This supports the strategy for the network's geographic realignment: 95% of Mercialys' sites are attractive regional hubs that are leaders in their catchment areas and concentrated around dynamic French cities.
- **Loan to value ratio (LTV including transfer taxes) showing a 70bp improvement to 35.7% at December 31, 2024**
- **Particularly robust financial structure enabling investments to resume in 2025**
- **Proposed dividend of Euro 1.00[1] per share for 2024**, contributing to the sustained and regular yield profile

2025 objectives:

- **NRE per share expected to reach Euro 1.22 to Euro 1.25 in 2025**
  Objective reflecting among other factors the Company's solid underlying operational performance, the impact of the disposals completed in 2024 and the impact of the upcoming refinancing of the bond issue due to mature in February 2026.
- **Dividend of at least Euro 1.00 per share**

[1] Amount submitted for approval by the shareholders present or represented at the ordinary general meeting to be held on April 29, 2025

KEY FIGURES

	Dec 31, 2023	Dec 31, 2024
Organic growth in invoiced rents	+4.1%	+3.9%
EBITDA (€m)	149.4	147.2
Net recurrent earnings per share (€)	**1.17**	**1.21**

Portfolio appraisal value (incl. transfer taxes, €m)	2,872.0	2,761.2
LTV (including transfer taxes)	36.4%	35.7%
Ratio of net debt to EBITDA	7.1x	6.8x
EPRA NTA (€/share)	**16.29**	**16.29**

I. 2024 full-year business and results

The environment remained buoyant overall for the retail real estate sector in France, despite a number of uncertainties linked to the geopolitical risks and the unstable political and fiscal situation. Consumption continued to be fueled by the downturn in inflation, as well as a purchasing power reserve linked to a savings rate that is still higher than its historic average. However, French people's appetite for consumption is expected to continue to be structured around pricing imperatives. In this context, Mercialys worked to further improve the quality of its network, its accessible retail offering and its rental mix.

1. Portfolio's concentration around dynamic French cities, accompanied by a decisive turning point with the food re-anchoring and rental diversification, reflected in solid performances for 2024

In 2024, continuing to move forward with the strategy to **realign** its portfolio, Mercialys sold two centers under 5,000 sq.m in Montauban and Rodez, as well as four remaining lots at the Millau site. Following these operations, the Company's portfolio comprises 46 sites, including **33 strategic assets** (representing **95%** of the value) positioned in four target geographical areas around dynamic cities such as Marseille, Aix-en-Provence, Toulouse, Rennes and Grenoble. This network is supported by population hubs benefiting from the highest standards of living in France or significant levels of tourism. 28 of these 33 shopping centers are leaders or co-leaders in their catchment areas and, with an average size of 30,000 sq.m, they all represent attractive destinations, while limiting the risk of vacancies in the medium term.

Alongside this, **four assets** (Tours, Dijon-Chenôve, Niort and Saint-André) representing less than **2%** of the portfolio value will be subject to major **redevelopments**.

Lastly, **nine assets** representing less than **4%** of Mercialys' appraisal value are considered to be non-strategic through their geographical or competitive positioning and will be incorporated into the **arbitrage** policy over the medium term, helping realign the portfolio, optimize the Company's operating costs and effectively focus its lettings and asset management work.

In addition, 2024 was marked by the almost complete rotation of the food operators anchoring Mercialys' shopping centers. To balance its exposure to this consumption segment and the various operators, Mercialys sold four hypermarkets in which it held a 51% interest (49% owned by a fund managed by BNP Paribas REIM) and operated by Auchan. These **transfers of business operations were completed successfully**, with this increased appeal reflected directly in average footfall growth of **+7.7%** for the shopping centers concerned since the hypermarkets reopened under their new banner.

By the end of 2024, only the hypermarkets in Brest and Niort, owned by Mercialys (51%, with a fund managed by BNP Paribas REIM holding 49%), remain leased by the Casino group, with the leases set to expire on June 30, 2027. However, on September 30, 2024, the Casino group voluntarily and without prior notice ceased operations at these two stores. Mercialys immediately challenged these closures in court while simultaneously engaging in discussions with the Casino group regarding the operational transition of these hypermarkets. This would allow for their potential re-letting, thereby enhancing the overall commercial appeal of both sites. However, the Casino group has continued to meet its quarterly payment obligations, including those for the fourth quarter of 2024 and the first quarter of 2025.

Based on these stronger fundamentals, **footfall**[2] in Mercialys' shopping centers **is up +2.7%** for the full year in 2024, compared with the Quantaflow national panel's growth of +1.2%, despite the disruption seen during the first half of the year linked to the retailer changes (attrition affecting supplies for the hypermarkets operated by Géant, liquidation sales and closure of the hypermarkets for two to three weeks). This +150bp outperformance benefiting Mercialys' sites rises to **+210bp** excluding the Brest site, impacted by the hypermarket's closure during the fourth quarter of 2024.

These renewed visitor flows contributed to **sales growth for retailers in the centers of +2.1%** at end-December 2024, significantly outperforming the FACT national index's (+1.3% increase) by +80bp.

Alongside this, operations at four hypermarkets that are not owned by Mercialys, but that anchor small centers which it owns (Brive, Aurillac, Valence and Dijon-Chenôve), were also shut down on this same date. In total, these centers represent **1.2% of the Company's net rental income** (excluding mid-size units whose flows are not significantly affected by the large food stores). These four sites are subject to projects or arbitrage operations over time.

At end-2024, the percentage of the Company's rental income with an economic vision[3] from food retail came to 16.1%, with its breakdown illustrating the groundbreaking partnership developed between Mercialys and all of the main French operators:

Retailer – mass food retail	**Dec 31, 2024 % of rental revenues (economic vision)**
Intermarché	5.6%
Auchan	5.2%
Carrefour	2.1%
Monoprix	1.6%
Brest and Niort hypermarkets	1.2%
Aldi	0.2%
Lidl	0.1%
TOTAL	**16.1%**

[2] Mercialys' large centers and main convenience shopping centers based on a constant surface area, representing around 80% of the value of the Company's shopping centers

[3] Consolidated rental income adjusted (i) downwards for the 49% minority interest held by BNP Paribas REIM in SAS Hyperthetis Participations and SAS Immosiris, which together own a total of six hypermarkets following the sale completed in July 2024, and (ii) upwards for Mercialys' 25% minority interest in SCI AMR, which owns three Monoprix stores and two hypermarkets

2. Robust operational indicators paving the way for reversion potential to be built up again

2024 saw a sustained level of rental activity, with Mercialys continuing to **work to diversify its retail mix** outside the textiles segment, while remaining focused on an accessible offering. Mercialys' strategy to meet recurrent consumption needs is not limited to just spending on food, with the Company aiming to establish itself as the leading real estate company for accessible retail across all consumption segments.

The focus across the portfolio continues to be **retailers that are renowned for their accessible pricing**, a key catalyst for purchases. This strategy is illustrated by the Angers site, through the leases signed with retailers that are popular with customers, such as Adopt, Made Burger and Fabrique Cookies, further enhancing the high-quality food selection available following the leases signed with Waffle Factory and Amorino in 2023. In Besançon, the center's accessible retail offering has been further strengthened through the leases signed with Quick and Célio. Similarly, at Toulouse Fenouillet, a site that began work to redevelop its letting potential two years ago, the Company signed leases with the retailers Nocibé, Saint Algue and Cokot, as well as the discount home decoration retailer TEDI, following on from the 14 transactions completed in 2023.

Alongside this, between 2020 and 2024, the personal items segment, an inherently discretionary area of spending, moved from 31.4% to 29.2% of rental revenues. At the same time, the culture, leisure and sports segment saw the strongest progress, climbing from 16% of rental income in 2020 to 19% in 2024, enabling it to overtake the food retail segment, which Mercialys has deliberately scaled back its exposure to and which now represents 17.3% of rental income (versus 21.6% in 2020). Generating 14.7% of the Company's rental income versus 12.3% in 2020, the health-beauty segment recorded very strong growth, driven by the successful retailers Adopt, Rituals and Normal.

Mercialys' regional appeal, the effective control over costs charged back to tenants, and the renewal of visitor flows driven by the new food anchors enabled Mercialys to keep its **current financial vacancy rate**[4] at 2.9% at end-December 2024, stable overall compared with the end of June 2024 (3.0%) and end-December 2023 (2.9%). The total vacancy rate is down to 4.1%, its lowest level since 2019 (versus 4.4% at end-2023 and end-June 2024). The Company's 33 strategic sites show a **total average occupancy rate of 98%**, representing a frictional level of vacancy. Commercial vacancies are concentrated primarily on the sites subject to restructuring projects.

The **reversion** rate for 2024, combined with the standard renewals and relettings, shows a slightly positive level of **+0.3%**. In addition, Mercialys has worked on transitioning certain units to formats that are more adapted for leading retailers, helping drive footfall and therefore additional rental income over the medium term. These specific transformations saw the conversion of six stores into two mid-size units in Sainte-Marie and Besançon, with negative reversion of -1.6%, and the repositioning of a mid-size store in Marseille for -1.1%.

These investments in real estate formats, the improving occupancy rate and the positive retailer sales trend will help rebuild reversion potential over the medium term.

The **occupancy cost ratio**[5], which was 10.8% in 2024, compared with 10.9% at June 30, 2024 and 10.7% at end-2023, is driving a future rebound in reversion, while supporting the occupancy rate. Its sustainable level, even after the impact of indexation seen since 2022, reflects the excellent sales performance achieved by retailers, highlighting the attractive features of Mercialys' portfolio.

[4] The occupancy rate, as with Mercialys' vacancy rate, does not include agreements relating to the Casual Leasing business.
[5] Ratio between rent, charges (including marketing funds) and invoiced work (including tax) paid by retailers and their sales revenue (including tax), excluding large food stores.

At end-December 2024, the **collection rate** for rent and charges from 2024 came to 97.7%, showing a significant improvement compared with the level recorded at end-2023 (96.2%).

3. Progress with net recurrent earnings in line with the roadmap for sustained growth driven by the Company's strategy

Invoiced rents increased by +0.9% to Euro 179.2 million, benefiting from sustained organic growth, partially offset by the prorata impact of asset disposals completed in 2024. **Organic growth**[6] in invoiced rents, **up +3.9%**, reflects the impact of indexation for +4.0% and the contribution by variable rents (+0.3%), illustrating the good level of business for retailers.

Rental revenues came to Euro 179.5 million, up +0.9%, reflecting the changes in invoiced rents and the slight contraction in lease rights and despecialization indemnities. **Net rental income** is up +0.8% from 2023 to Euro 172.3 million.

EBITDA came to Euro 147.2 million, down -1.5% from 2023, factoring in the disposals completed during the second half of 2024. The EBITDA margin remains high at 82.0%.

The **net financial expenses** used to calculate net recurrent earnings totaled Euro 27.2 million, down -8.0% compared with 2023 (Euro 29.6 million). The **real average cost of drawn debt**[7] was 2.0% for the full year in 2024, compared with 2.3% for 2023 (2.2% for the first half of 2024). The favorable conditions for the refinancing operation carried out in September 2024 (see section II) and the cash investments during the year contributed to this effective management and control.

Other operating income and expenses (excluding capital gains or losses on disposals and impairment) came to Euro +0.9 million, compared with Euro +2.2 million in 2023, primarily including the impact of net reversals of provisions. In 2023, a reversal of provisions for a dispute at a site on Reunion Island resulting from a road network issue was recorded for Euro +2.1 million.

The **tax** retained to calculate net recurrent earnings represents a Euro 0.6 million expense at end-December 2024, stable compared with end-December 2023. This amount corresponds primarily to a CVAE corporate value-added tax expense.

The **share of net income from associates and joint ventures** (excluding capital gains or losses, amortization and impairment) totaled Euro 3.4 million in 2024, compared with Euro 3.6 million at December 31, 2023, linked in particular to the change in financing conditions for the SCI AMR scope, partially offsetting the positive impact of indexation on rental income for these companies.

Non-controlling interests (excluding capital gains or losses, amortization and impairment) came to Euro 9.7 million for 2024, compared with Euro 11.2 million in 2023. The decrease in minority interests reflects the disposal of the four hypermarkets that were 49%-owned by a fund managed by BNP Paribas REIM through Hyperthetis, completed in July 2024.

Net recurrent earnings (NRE) came to Euro 113.1 million, with +3.8% growth versus 2023, and up +3.7% to Euro 1.21 per share[8], outperforming the target for NRE per share growth of at least +2% versus 2023.

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[6] Assets enter the like-for-like scope used to calculate organic growth after being held for 12 months

[7] This rate does not include the net expense linked to the non-recurring bond redemption premiums, costs and amortization, as well as the proceeds and costs from unwinding hedging operations

[8] Calculated based on the average undiluted number of shares (basic), i.e. 93,435,731 shares

(In thousands of euros)	Dec 31, 2023	Dec 31, 2024	Change (%)
Invoiced rents	**177,495**	**179,151**	**+0.9%**
Lease rights and despecialization indemnities	515	384	-25.5%
Rental revenues	**178,010**	**179,534**	**+0.9%**
Non-recovered building service charges and property taxes and other net property operating expenses	-7,086	-7,221	+1.9%
Net rental income	**170,924**	**172,314**	**+0.8%**
Management, administrative and other activities income	3,078	3,239	+5.2%
Other income and expenses	-4,433	-7,865	+77.4%
Personnel expenses	-20,169	-20,526	+1.8%
EBITDA	**149,400**	**147,162**	**-1.5%**
EBITDA margin (% of rental revenues)	*83.9%*	*82.0%*	-
Net financial items (excluding non-recurring elements [9])	-29,593	-27,213	-8.0%
Reversals of / (Allowances for) provisions	-4,774	-901	-81.1%
Other operating income and expenses (excluding capital gains or losses on disposals and impairment)	2,179	908	-58.3%
Tax expense	-634	-594	-6.3%
Share of net income from associates and joint ventures (excluding capital gains or losses, amortization and impairment)	3,574	3,431	-4.0%
Non-controlling interests (excluding capital gains or losses, amortization and impairment)	-11,191	-9,664	-13.6%
Net recurrent earnings [10]	**108,961**	**113,129**	**+3.8%**
Net recurrent earnings per share (€)	***1.17***	***1.21***	**+3.7%**

II. The portfolio value shows the start of a rebound phase and the financial position was further strengthened in 2024

1. Like-for-like, the portfolio value is up +1.3%, demonstrated through significant and representative disposals within the portfolio

At end-December 2024, Mercialys' portfolio mainly comprised 44 shopping centers[11]. The **portfolio value** came to Euro 2,761.2 million including transfer taxes, up +1.3% over 12 months like-for-like. The appraisal value excluding transfer taxes is up +1.1% like-for-like, with the positive impact of rental income (+3.3%) offsetting the impact of a slight increase in rates.

The **average appraisal yield rate** was 6.65% at December 31, 2024, compared with 6.68% at June 30, 2024 and 6.61% at end-2023. This change shows a positive yield spread of 344bp compared with the risk-free rate (10-year OAT) at end-December.

A **dynamic arbitrage policy** was rolled out over the year across the Company's various asset categories. The disposals concerned, in July 2024, four hypermarkets that were 51% owned by Mercialys (49% by a fund managed by BNP Paribas REIM) for a net sales price of Euro 117.5 million (corresponding to 100% of the assets' value). Mercialys also sold geographically dispersed assets for a total of Euro 7.9 million, as well as the non-strategic centers in Montauban and Rodez for a total price of Euro 9.9 million. The disposals represented a combined total of Euro 135.3 million in 2024 (5% of the portfolio value excluding transfer taxes at end-2023) and were completed at an average price in line

[9] Impact of hedging ineffectiveness, banking default risk, premiums, non-recurring amortization and costs relating to bond redemptions, proceeds and costs from unwinding hedging operations

[10] Net recurrent earnings = net income attributable to owners of the parent before amortization, gains or losses on disposals net of associated fees, any asset impairment and other non-recurring effects

[11] Added to these are two geographically dispersed assets with a total appraisal value including transfer taxes of Euro 12.8 million.

with the appraisals, **once again demonstrating the liquidity of the Company's portfolio and the relevance of its appraisal values**.

	Appraisal value at Dec 31, 2024	Current basis		Like-for-like [12]	
		Change over last 6 months	Change over last 12 months	Change over last 6 months	Change over last 12 months
Value excluding transfer taxes	2,583.7	-4.3%	-4.0%	+0.7%	**+1.1%**
Value including transfer taxes	2,761.2	-4.1%	-3.9%	+0.9%	**+1.3%**

The **EPRA net asset value** indicators are as follows:

	EPRA NRV			EPRA NTA			EPRA NDV		
	Dec 31, 2023	Jun 30, 2024	Dec 31, 2024	Dec 31, 2023	Jun 30, 2024	Dec 31, 2024	Dec 31, 2023	Jun 30, 2024	Dec 31, 2024
€ / share	18.25	17.80	18.23	16.29	15.85	16.29	17.10	16.53	16.45
Change over 6 months	-4.1%	-2.5%	+2.4%	-4.1%	-2.7%	+2.7%	-9.1%	-3.3%	-0.5%
Change over 12 months	-11.2%	-6.5%	-0.1%	-11.6%	-6.7%	+0.0%	-18.4%	-12.0%	-3.8%

The **EPRA Net Disposal Value (NDV)** came to Euro 16.45 per share[13], down -0.5% over six months and -3.8% over 12 months.
The Euro -0.65 per share change over 12 months takes into account the following impacts:
- Dividend payment: Euro -1.00;
- Net recurrent earnings: Euro +1.22;
- Change in unrealized capital gains[14]: Euro -0.04, including a yield effect for Euro -0.67, a rent effect for Euro +0.96 and other effects[15] for Euro -0.32;
- Change in fair value of fixed-rate debt: Euro -0.57;
- Change in fair value of derivatives and other items: Euro -0.25.

2. Very sound financial structure

In a volatile rate environment, Mercialys maintained a high level of **fixed-rate debt hedging**, up to 99% at end-2024 from 96% at December 31, 2023.

In September 2024, Mercialys carried out two refinancing operations. Firstly, the Company carried out a Euro 300 million bond issue, with a 7-year maturity and 4.0% coupon. Secondly, the early redemption option was exercised for the bond issue with Euro 200 million outstanding and due to mature in July 2027, with a coupon of 4.625%. This restructuring enabled Mercialys to optimize its average cost of debt, extend the **average maturity of drawn debt** to 3.8 years at end-December 2024 (vs. 3.3 years at end-June 2024), and support the balance sheet's liquidity.

The asset disposals completed, as detailed above, also helped Mercialys to consolidate its balance sheet positions: the **LTV ratio excluding transfer taxes**[16] was 38.2% at December 31, 2024 (compared with 40.0% at June 30, 2024 and

[12] Sites on a constant scope and a constant surface area basis
[13] Calculation based on the diluted number of shares at the end of the period, in accordance with the EPRA methodology regarding the NDV per share
[14] Difference between the net book value of assets on the balance sheet and their appraisal value excluding transfer taxes
[15] Including impact of revaluation of assets outside of organic scope, equity associates, maintenance capex and capital gains or losses on asset disposals
[16] LTV (Loan To Value): Net financial debt / (market value of the portfolio excluding transfer taxes + market value of investments in associates for Euro 43.9 million at December 31, 2024, Euro 45.1 million at December 31, 2023 and Euro 44.3 million at June 30, 2024, since the value of the portfolio held by associates is not included in the appraisal value)

38.9% at December 31, 2023), well below the banking covenant level of 55% for the confirmed bank lines. The **LTV ratio including transfer taxes** came to 35.7% (versus 37.4% at June 30, 2024 and 36.4% at December 31, 2023).

The **ICR** was 5.5x [17] at December 31, 2024, compared with 5.1x at December 31, 2023 and 5.5x at June 30, 2024, significantly higher than the minimum level of at least 2x set by the bank covenants.

On October 24, 2024, Standard & Poor's confirmed its **BBB / stable outlook** rating for Mercialys.

This balance sheet will help drive the resumption of investments in 2025**.**

III. Resumption of targeted investments, aiming to further strengthen Mercialys' network and the appeal of its centers

The Company aims to achieve growth while maintaining its strict framework, built around its main financial balances and its demands for a yield of at least 7%, higher than the portfolio's average yield (6.65% at end-2024).

1. Selective rollout of the project pipeline

At end-2024, the pipeline of projects underway and likely to be deployed over the medium term represented Euro 417.5 million, located primarily in the four geographical hubs that Mercialys' real estate footprint is focused on. Mercialys will continue to focus its development on the retail sector, while capitalizing on its various areas of real estate expertise, enabling it to take part in calls for tenders organized by cities or local authorities looking to reposition their neighborhoods.

The implementation of these programs remains subject to the relevant administrative authorizations being obtained, as well as a comparison with the yield on existing assets that could be acquired by the Company.

In 2025, Mercialys, in partnership with the developer Telamon, will be able to continue moving forward with the operation in **Saint-Denis** (Paris Region), building new structures above the mall owned by the Company. Mercialys will retain ownership of the renovated retail spaces following completion of the project.

2025 is also expected to see progress made with the 15,000 sq.m **Saint-André** mixed-use business park project (Reunion Island). This development, on Mercialys land bank plots, is 76% pre-let. The yield on this project is estimated at 8.4%.

In connection with the deployment of its know-how on mixed-use projects, in January 2025 Mercialys signed a preliminary sales agreement with a public institution for a 1.6 hectare land bank for Euro 4.0 million in **Angers**, where the Company has a leading shopping center. The construction of a neighborhood on this site combining residential units, shops, offices, healthcare, leisure and dining facilities would significantly strengthen the existing asset, while offering a new quarter for this regional urban hub. On completion, with phased deliveries scheduled for 2030 and 2032, the Company will exclusively retain the retail units.

[17] ICR (Interest Coverage Ratio): EBITDA / net finance costs

(In millions of euros)	Total investment	Investment still to be committed	Completion date
COMMITTED PROJECTS[18]	**22.8**	**22.2**	**2025/2027**
Tertiary activities	21.5	20.9	2027
CONTROLLED PROJECTS	**184.4**	**175.9**	**2025 / 2028**
Retail	144.2	136.1	2025 / 2028
Dining and leisure	11.1	11.0	2026 / 2027
Tertiary activities	29.1	28.8	2025 / 2027
IDENTIFIED PROJECTS	**210.3**	**209.9**	**2026 / > 2029**
Retail	163.8	163.5	2026 / > 2029
Dining and leisure	45.0	45.0	> 2029
Tertiary activities	1.5	1.5	2026 / > 2029
Total	**417.5**	**408.0**	**2025 / > 2029**

- *Committed projects: projects fully secured in terms of land management, planning and related development permits*
- *Controlled projects: projects effectively under control in terms of land management, with various points to be finalized for regulatory urban planning (constructability), planning or administrative permits*
- *Identified projects: projects currently being structured, in emergence phase*

2. Positioning on acquisitions of existing assets, based on solid real estate fundamentals

Mercialys could also position itself to acquire existing assets in terms of both retail real estate and related activities, including shopping centers, retail parks and storage centers.
These investments will be rolled out at leading sites or sites with the capacity to be developed to lead their catchment areas.
The maximum target investment is Euro 200 million, including a strict yield criterion of at least 7%.

3. Acquisition of 100% of the capital of the investment management company Imocom Partners

During the first quarter of 2025, Mercialys will acquire **the remaining 70% not yet held in the investment management company Imocom Partners**. The corresponding amount, subject to performance conditions, is currently being determined.

From December 2023, the Company held a 30% stake (representing a Euro 5.7 million investment) in this structure, which manages the OPPCI fund ImocomPark, which holds a portfolio of 33 retail parks in France, with a value of around Euro 650 million. Mercialys will benefit from an immediate return on this investment, through management fees from the existing fund, as well as new funds that may be set up. This operation also offers Mercialys increased visibility in relation to tenant retailers, while increasing the Company's capacity to work on retail or mixed real estate development projects.

IV. Various milestones passed with the rollout of the Company's CSR strategy looking ahead to 2030, and carbon trajectory revised moving towards a "net zero" target

In 2024, Mercialys passed new milestones from the roadmap set out with its 10-year CSR strategy "4 Fair Impacts for 2030".

[18] The investments to be committed for the pipeline correspond to the Saint-Denis mixed-use urban project, north of Paris, and coworking spaces

Its key achievements, in line with the 13 goals from this strategy, include:

- a reduction in greenhouse gas emissions per sq.m by -31.5% compared with 2020 and -41.4% versus 2017, the baseline year for the Company's carbon trajectory,
- a waste recovery rate of 68.5%,
- the BREEAM In Use certification of 100% of the strategic centers, in line with the more demanding version 6 of this framework. The average rating for strategic assets in section 2 is 70.7%, reflecting Mercialys' robust environmental approach;
- a responsible range of stores and services offered by 94.4% of the strategic centers;
- an excellent performance in terms of gender equality, measured by the workplace equality index (drawn up by the French Ministry of Labor, Employment and Inclusion), after Mercialys scored 94/100, compared with a national average of 88/100;
- a governance structure aligned with the best standards, illustrated by its Board of Directors, as 56% of its current directors are women.

The Company's CSR leadership is illustrated by several real estate industry awards recognizing its achievements. On the one hand, with a score of 91/100 in 2024 in the Global Real Estate Sustainability Benchmark (GRESB) and a "Green Star 5" status, the highest category in this benchmark. On the other hand, with an AA rating assigned by MSCI. Finally, with a very low-risk score of 7.8/100 awarded by Sustainalytics.

Lastly, Mercialys has been a pioneer with the drive to reduce greenhouse gas emissions, getting its carbon trajectory certified by the SBTi[19] from 2019 with a target that is compatible with an increase in temperatures by "less than 2°C". With the Company's strategy looking ahead to 2030, aimed at helping achieve carbon neutrality, Mercialys has adjusted its trajectory to make it "net zero" compatible. Factoring in the regular investments made in the portfolio over the past 10 years, this revision is not expected to result in any significant changes in capex over the medium term. This new trajectory will be submitted to the SBTi for certification in February 2025.

V. Outlook and dividend

1. Dividend for 2024

Mercialys' Board of Directors will submit a proposal at the General Meeting on April 29, 2025 for a dividend of **Euro 1.00 per share**, compared with a dividend of Euro 0.99 per share for 2023. The payout corresponds to 83% of 2024 NRE and offers a yield of 6.1% on the NDV of Euro 16.45 per share at end-2024 and 9.9% on the year's closing price.

The proposed dividend for 2024 is based on the distribution requirement with the SIIC tax status concerning exempt profits from:

- property rental or sub-letting operations (including dividends paid by the subsidiaries subject to the SIIC system), i.e. Euro 0.78 per share;
- the distribution of exempt income recorded on the Company's balance sheet for Euro 0.22 per share.

The ex-dividend date is May 2, 2025, with the dividend to be paid on May 6, 2025.

[19] Science Based Targets Initiative: project to help combat global warming by engaging companies to make commitments, developed through a collaborative initiative involving several institutions (Carbon Disclosure Project, United Nations Global Compact and World Resources Institute)

2. Outlook for 2025

2025 net recurrent earnings, reflecting a solid underlying operational performance, will be impacted in particular by the disposals completed in 2024 and the upcoming refinancing of the bond issue maturing in February 2026. Mercialys has therefore set itself the following objectives:

- NRE per share of Euro 1.22 to Euro 1.25;
- Dividend per share of at least Euro 1.00.

* * *

This press release is available on www.mercialys.com.
A presentation of these results is also available online, in the following section:
Investors / News and press releases / Financial press releases

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About Mercialys

Mercialys is one of France's leading real estate companies. It is specialized in the holding, management and transformation of retail spaces, anticipating consumer trends, on its own behalf and for third parties. At December 31, 2024, Mercialys had a real estate portfolio valued at Euro 2.8 billion (including transfer taxes). Its portfolio of 1,927 leases represents an annualized rental base of Euro 169.2 million. Mercialys has been listed on the stock market since October 12, 2005 (ticker: MERY) and has "SIIC" real estate investment trust (REIT) tax status. Part of the SBF 120 and Euronext Paris Compartment A, it had 93,886,501 shares outstanding at December 31, 2024.

IMPORTANT INFORMATION

This press release contains certain forward-looking statements regarding future events, trends, projects or targets. These forward-looking statements are subject to identified and unidentified risks and uncertainties that could cause actual results to differ materially from the results anticipated in the forward-looking statements. Please refer to Mercialys' Universal Registration Document available at www.mercialys.com for the year ended December 31, 2023 for more details regarding certain factors, risks and uncertainties that could affect Mercialys' business. Mercialys makes no undertaking in any form to publish updates or adjustments to these forward-looking statements, nor to report new information, new future events or any other circumstances that might cause these statements to be revised.

APPENDIX TO THE PRESS RELEASE

Financial report

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Financial report

Pursuant to Regulation (EC) No. 1606/2002 of July 19, 2002, the Mercialys Group's consolidated financial statements were prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as adopted by the European Union and applicable at December 31, 2024. These standards are available on the European Commission website at: https://finance.ec.europa.eu/capital-markets-union-and-financial-markets/company-reporting-and-auditing/company-reporting/financial-reporting_en. The accounting policies set out below were applied consistently to all the periods presented in the consolidated financial statements, after taking into account, or with the exception of, the new standards and interpretations described below.

1. Financial statements

The audit procedures on the consolidated accounts have been completed. The certification report is currently being issued.

1.1. Consolidated income statement

(In thousands of euros)	Dec 31, 2023	Dec 31, 2024
Rental revenues	**178,010**	**179,534**
Service charges and property tax	(51,079)	(47,639)
Charges and taxes billed to tenants	45,201	41,631
Net property operating expenses	(1,208)	(1,212)
Net rental income	**170,924**	**172,314**
Management, administrative and other activities income	3,078	3,239
Other income	-	2
Other expenses	(4,433)	(7,867)
Personnel expenses	(20,169)	(20,526)
Depreciation and amortization	(38,540)	(37,828)
Reversals of / (Allowances for) provisions	(4,774)	(901)
Other operating income	10,647	154,721
Other operating expenses	(30,915)	(161,009)
Operating income	**85,818**	**102,145**
Income from cash and cash equivalents	3,185	6,727
Gross finance costs	(38,194)	(51,243)
(Expenses) / Income from net financial debt	**(35,009)**	**(44,516)**
Other financial income	774	947
Other financial expenses	(6,085)	(3,472)
Net financial items	**(40,321)**	**(47,041)**
Tax expense	(495)	(793)
Share of net income from associates and joint ventures	1,727	2,432
Consolidated net income	**46,730**	**56,742**
Attributable to non-controlling interests	(6,643)	2,983
Attributable to owners of the parent	53,373	53,759
Earnings per share[20]		
Net income attributable to owners of the parent (€)	0.57	0.58
Diluted net income attributable to owners of the parent (€)	0.57	0.58

[20] Based on the weighted average number of shares over the period adjusted for treasury shares
Undiluted weighted average number of shares in 2024 = 93,435,731 shares
Fully diluted weighted average number of shares in 2024 = 93,435,731 shares

1.2. Consolidated statement of financial position

ASSETS *(in thousands of euros)*	**Dec 31, 2023**	**Dec 31, 2024**
Intangible assets	3,144	3,424
Property, plant and equipment other than investment property	5,825	7,445
Investment property	1,864,950	1,720,595
Right-of-use assets	10,615	14,784
Investments in associates	39,557	40,315
Other non-current assets	37,577	30,604
Deferred tax assets	1,614	1,700
Non-current assets	**1,963,282**	**1,818,867**
Trade receivables	35,936	30,766
Other current assets	31,902	27,048
Cash and cash equivalents	118,155	283,653
Investment property held for sale	1,400	0
Current assets	**187,393**	**341,467**
Total assets	**2,150,676**	**2,160,334**

EQUITY AND LIABILITIES (in thousands of euros)	**Dec 31, 2023**	**Dec 31, 2024**
Share capital	93,887	93,887
Additional paid-in capital, treasury shares and other reserves	583,337	537,179
Equity attributable to owners of the parent	**677,224**	**631,065**
Non-controlling interests	188,871	130,957
Shareholders’ equity	**866,095**	**762,022**
Non-current provisions	1,406	1,390
Non-current financial liabilities	1,131,627	1,237,529
Deposits and guarantees	24,935	29,424
Non-current lease liabilities	9,529	13,991
Other non-current liabilities	4,834	4,675
Non-current liabilities	**1,172,332**	**1,287,010**
Trade payables	9,265	10,916
Current financial liabilities	53,037	50,765
Current lease liabilities	1,331	1,204
Current provisions	15,581	16,644
Other current liabilities	32,940	31,384
Current tax liabilities	95	390
Current liabilities	**112,249**	**111,303**
Total equity and liabilities	**2,150,676**	**2,160,334**

1.3. Consolidated cash flow statement

(In thousands of euros)	Dec 31, 2023	Dec 31, 2024
Net income attributable to owners of the parent	53,373	53,759
Non-controlling interests	(6,643)	2,983
Consolidated net income	**46,730**	**56,742**
Depreciation, amortization [(1)] and provisions, net of reversals	64,054	31,049
Calculated expenses/(income) relating to stock options and similar	763	880
Other calculated expenses/(income) [(2)]	5,559	192
Share of net income from associates and joint ventures	(1,727)	(2,432)
Dividends received from associates and joint ventures	2,525	3,687
Income from asset disposals	(766)	13,410
Expenses/(income) from net financial debt	35,009	44,516
Net financial interest in respect of lease agreements	344	360
Tax expense (including deferred tax)	495	793
Cash flow	**152,987**	**149,197**
Taxes received/(paid)	(569)	(707)
Change in working capital requirement relating to operations, excluding deposits and guarantees [(3)]	(19,464)	8,555
Change in deposits and guarantees	1,313	4,489
Net cash flow from operating activities	**134,267**	**161,535**
Cash payments on acquisitions of:		
investment properties and other fixed assets	(22,532)	(28,780)
non-current financial assets	(4)	(19)
Cash receipts on disposals of:		
investment properties and other fixed assets	3,964	131,202
non-current financial assets	3,146	945
Investments in associates and joint ventures	(6,312)	(1,127)
Impact of changes in scope with change of control	-	-
Change in loans and advances granted	-	-
Net cash flow from investing activities	**(21,740)**	**102,220**
Dividends paid to shareholders of the parent company (final)	(89,565)	(92,643)
Dividends paid to shareholders of the parent company (interim)	-	-
Dividends paid to non-controlling interests	(9,780)	(60,897)
Capital increase and reduction	-	-
Other transactions with shareholders	-	-
Changes in treasury shares	(744)	(3,408)
Increase in borrowings and financial debt	109,000	518,707
Decrease in borrowings and financial debt	(192,204)	(422,000)
Repayment of lease liabilities	(1,231)	(1,356)
Interest received [(4)]	17,880	21,102
Interest paid	(43,727)	(57,762)
Net cash flow from financing activities	**(210,371)**	**(98,257)**
Change in cash position	**(97,844)**	**165,498**
Net cash at beginning of period	215,999	118,155
Net cash at end of period	118,155	283,653
of which cash and cash equivalents	118,155	283,653
of which bank overdrafts	-	-

(1) Depreciation and amortization exclude the impact of impairment on current assets

(2) Other calculated expenses and income mainly comprise:		
- discounting adjustments to construction leases	*(207)*	*(197)*
- lease rights received from tenants and spread over the firm term of the lease	*2,920*	*200*
- deferred financial expenses	*648*	*666*
- interest on non-cash loans and other financial income and expenses	*2,024*	*(758)*
(3) The change in working capital requirement breaks down as follows:		
- trade receivables	*(7,462)*	*5,170*
- trade payables	*(4,646)*	*1,651*
- other receivables and payables	*(7,356)*	*1,734*
Total working capital requirement	***(19,464)***	***8,555***

(4) Primarily comprising interest received on debt hedging instruments in accordance with IAS 7.16

2. Key developments in 2024

Change in the rental base

Following the agreements signed by the Casino group with Intermarché, Auchan and Carrefour, the majority of the retailers in the hypermarkets owned by Mercialys changed during the first half of 2024. In addition, on October 2, 2024, the Casino group indicated that it had completed the disposal of its subsidiary operating its activities in Corsica, with operations at the five Corsican hypermarkets and supermarkets owned by Mercialys switching to the Auchan banner.

By the end of 2024, only the hypermarkets in Brest and Niort, owned by Mercialys (51%, with a fund managed by BNP Paribas REIM holding 49%), remain leased by the Casino group, with the leases set to expire on June 30, 2027. However, on September 30, 2024, the Casino group voluntarily and without prior notice ceased operations at these two stores. Mercialys immediately challenged these closures in court while simultaneously engaging in discussions with the Casino group regarding the operational transition of these hypermarkets. This would allow for their potential re-letting, thereby enhancing the overall commercial appeal of both sites. However, the Casino group has continued to meet its quarterly payment obligations, including those for the fourth quarter of 2024 and the first quarter of 2025. Operations at four hypermarkets that are not owned by Mercialys, but that anchor small centers which it owns (Brive, Aurillac, Valence and Dijon-Chenôve), were also shut down on this same date. In total, these centers represent 1.2% of the Company's net rental income (including Casual Leasing rents and excluding mid-size units whose flows are not significantly affected by the large food stores).

Financing

In September 2024, Mercialys successfully placed a Euro 300 million bond issue with a 7-year maturity and 4.0% coupon. In addition, the Company fully exercised the option for the early redemption of its bond maturing in July 2027, with a residual nominal total of Euro 200 million and a 4.625% coupon.

Sales operations

In July 2024, Mercialys sold four hypermarkets operated by Auchan and owned through Hyperthetis, in which the Company has a 51% stake, with 49% held by a fund managed by BNP Paribas REIM, for a net sales price of Euro 117.5 million. Mercialys also sold geographically dispersed assets for a total of Euro 7.9 million, as well as the non-strategic centers in Montauban and Rodez for a total price of Euro 9.9 million.

3. Summary of the main key indicators for the period

	Dec 31, 2024
Organic growth in invoiced rents	**+3.9%**
EBITDA[21]	**147.2**
EBITDA/rental revenues	*82.0%*
Net recurrent earnings [22]	**113.1**
Net recurrent earnings per share [23]	**1.21**
Fair value of the portfolio (including transfer taxes)	**2,761.2**
Change vs. Dec 31, 2023 (current basis)	*-3.9%*
Change vs. Dec 31, 2023 (like-for-like)	*+1.3%*
EPRA NDV per share	**€16.45**
Change vs. Dec 31, 2023	*-3.8%*
Loan to Value (LTV) – excluding transfer taxes	**38.2%**

[21] Earnings before interest, taxes, depreciation, amortization and other operating income and expenses
[22] Net recurrent earnings = net income attributable to owners of the parent before amortization, gains or losses on disposals net of associated fees, any asset impairment and other non-recurring effects
[23] Calculated based on the average undiluted number of shares (basic), i.e. 93,435,731 shares

4. Review of activity

4.1. Main management indicators

➢ The following table presents details of the **lease schedule**:

At December 31, 2024	Number of leases	Annual MGR* + variable rents (€m)	Share of leases expiring (% annual MGR + variable)
Expired at December 31, 2024	363	25.9	15.3%
2025	153	8.4	5.0%
2026	154	15.5	9.1%
2027	195	32.7	19.3%
2028	172	14.5	8.5%
2029	155	11.5	6.8%
2030	226	24.7	14.6%
2031	168	11.4	6.7%
2032	114	7.6	4.5%
2033	123	9.6	5.7%
2034 and beyond	104	7.4	4.4%
Total	**1,927**	**169.2**	**100%**

** MGR: minimum guaranteed rent*

The stock of expired leases at end-2024 reflects the negotiations underway, refusals to renew leases with the payment of compensation for eviction, global negotiations for each retailer, tactical delays, etc.

At end-December 2024, the **collection rate** for rent and charges from 2024 was 97.7%, showing a further improvement compared with the end of 2023 (96.2%).

The **current financial vacancy rate** - which excludes "strategic" vacancies following decisions to facilitate the deployment of extension and redevelopment plans - came to 2.9%[24] at December 31, 2024, almost stable compared with the level from end-June 2024 (3.0%) and end-2023 (2.9%).

The **total vacancy rate**[25] was 4.1% at December 31, 2024, reflecting a significant improvement compared with June 30, 2024 and December 31, 2023 (4.4%).

The **reversion** rate for 2024, combined with the standard renewals and relettings, shows a slightly positive level of **+0.3%**. In addition, Mercialys has worked on transitioning certain units to formats that are more adapted for leading retailers, helping drive footfall and therefore additional rental income over the medium term. These specific transformations saw the conversion of six stores into two mid-size units in Sainte-Marie and Besançon, with negative reversion of -1.6%, and the repositioning of a mid-size store in Marseille for -1.1%.

The **occupancy cost ratio** [26] was 10.8% at end-December 2024, compared with 10.9% at June 30, 2024 and 10.7% at end-2023. It is driving a future rebound in reversion, while supporting the occupancy rate. Its sustainable level, even

[24] The occupancy rate, as with Mercialys' vacancy rate, does not include agreements relating to the Casual Leasing business.

[25] In accordance with the EPRA calculation method: rental value of vacant units / (annualized minimum guaranteed rent on occupied units + rental value of vacant units).

[26] Ratio between rent, charges (including marketing funds) and invoiced work paid by retailers and their sales revenue (excluding large food stores): (rent + charges + reinvoiced work including tax) / sales revenue including tax

after the impact of indexation seen since 2022, reflects the excellent sales performance achieved by retailers, highlighting the attractive features of Mercialys' portfolio.

The rents received by Mercialys come from a very diverse range of retailers since, with the exception of food retailers, no other tenant represents more than 2% of total rental income.

Top 10 tenant retailers (excluding large food stores)
Feu Vert
Armand Thiery
Intersport
H&M
Nocibe
FNAC
Mango
Jules
Sephora
Histoire d'Or
14.6% of contractual rents on an annualized basis

Exposure to large food stores represented 17.3% of Mercialys' invoiced rents at December 31, 2024 and 16.1% of economic rental income, with the following breakdown:

Retailer	% of consolidated rental income	% of economic rental income
Intermarché	5.8%	5.6%
Auchan	5.6%	5.2%
Carrefour	2.5%	2.1%
Brest and Niort hypermarkets [27]	2.3%	1.2%
Monoprix	0.8%	1.6%
Aldi	0.2%	0.2%
Lidl	0.1%	0.1%
TOTAL	**17.3%**	**16.1%**

The consolidated vision is calculated factoring in all of the rent paid by banners from the food retailers. The calculation of economic rental income factors in the adjustment (i) downwards for the 49% minority interest held by BNP Paribas REIM in SAS Hyperthetis Participations and SAS Immosiris, which together own a total of six hypermarkets, and (ii) upwards for Mercialys' minority interest in SCI AMR, which holds three Monoprix stores and two hypermarkets.

The **breakdown by retailer** (international, national or local retailers) of contractual rents on an annualized basis is as follows:

	Number of leases	Annual MGR* + variable rents (€m)	Percentage of rent (%)	
	Dec 31, 2024	Dec 31, 2024	Dec 31, 2023	Dec 31, 2024
National and international retailers	1,349	145.3	86.8%	85.9%
Local retailers	578	23.9	13.2%	14.1%
Total	**1,927**	**169.2**	**100.0%**	**100.0%**

** MGR: minimum guaranteed rent*

The **breakdown by business sector** (including large food stores) of Mercialys' rents is still highly diversified. The

[27] See page 3 of this press release

Company is rolling out its strategy to build balanced retail mixes, while continuing to scale back its exposure to textiles in favor of sectors such as health and beauty, culture, gifts and sports, as well as more innovative activities:

	Percentage of rent (%)	
	Dec 31, 2023	Dec 31, 2024
Dining	8.6%	8.9%
Health and beauty	13.0%	14.7%
Culture, gifts and sports	17.9%	19.0%
Personal items	28.9%	29.2%
Household equipment	7.7%	7.7%
Food-anchored tenants	20.9%	17.3%
Services	3.0%	3.2%
Total	**100.0%**	**100.0%**

The **rental income structure** at December 31, 2024 shows that the majority of leases, in terms of overall rental income, include a variable clause. However, the Company's exposure to purely variable rents is still very limited, representing 1.8% of the rental base.

	Number of leases	Annual MGR + variable rents (€m)	Percentage of rent (%)	
	Dec 31, 2024	Dec 31, 2024	Dec 31, 2023	Dec 31, 2024
Leases with variable clause	1,257	109.1	61%	64%
- of which MGR		*104.6*	*59%*	*62%*
- of which variable rent with MGR		*1.5*	*1%*	*1%*
- of which variable rent without MGR		*3.0*	*2%*	*2%*
Leases without variable clause	670	60.1	39%	36%
Total	**1,927**	**169.2**	**100%**	**100%**

The rental income structure at December 31, 2024 shows a predominant share of leases indexed against the French commercial rent index (ILC). In 2025, as a result of the lease anniversary dates, the indexation of Mercialys' rents will be linked for 16% to the index published in the first quarter of 2024 (+4.6%), with 22% for the index published in the second quarter of 2024 (+3.7%), 44% for the index published in the third quarter of 2024 (+3.0%), and 12% for the index published in the fourth quarter of 2024, while the other indexes represent a residual balance of 7%.

	Number of leases	Annual MGR + variable rents (€m)	Percentage of rent (%)	
	Dec 31, 2024	Dec 31, 2024	Dec 31, 2023	Dec 31, 2024
Leases index-linked to the commercial rent index (ILC)	1,682	158.6	96%	96%
Leases index-linked to the construction cost index (ICC)	67	4.6	3%	3%
Leases index-linked to the tertiary activities rent index (ILAT) and non-adjustable leases	159	1.5	1%	1%
Total	**1,908**	**164.7**	**100%**	**100%**

5. Review of consolidated results

5.1. Invoiced rents, rental revenues and net rental income

Rental revenues mainly comprise **rents invoiced** by the Company plus a smaller element of lease rights and despecialization indemnities paid by tenants and spread over the firm period of the lease (usually 36 months).

(In thousands of euros)	Dec 31, 2023	Dec 31, 2024	Change (%)
Invoiced rents	177,495	179,151	+0.9%
Lease rights and despecialization indemnities	515	384	-25.5%
Rental revenues	**178,010**	**179,534**	**+0.9%**
Property taxes	-14,265	-14,531	+1.9%
Rebilling to tenants	12,048	12,153	+0.9%
Non-recovered property taxes	**-2,217**	**-2,378**	**+7.2%**
Service charges	-36,813	-33,109	-10.1%
Rebilling to tenants	33,152	29,478	-11.1%
Non-recovered service charges	**-3,661**	**-3,631**	**-0.8%**
Management fees	-952	-756	-20.6%
Rebilling to tenants	4,032	4,054	+0.6%
Losses on and impairment of receivables	-4,441	-3,197	-28.0%
Other expenses	153	-1,313	na
Net property operating expenses	**-1,208**	**-1,212**	**+0.4%**
Net rental income	**170,924**	**172,314**	**+0.8%**

The **+0.9 points** change in invoiced rents primarily reflects the following factors:
- the impact of indexation for **+4.0 points**, representing Euro +7.1 million;
- a **stable** contribution by Casual Leasing;
- the increase in variable rents for **+0.3 points**, representing Euro +0.5 million;
- the actions carried out on the portfolio for **-0.5 points**, representing Euro -0.8 million;
- the asset acquisitions and sales completed in 2023 and 2024 for **-2.8 points**, representing Euro -4.9 million;
- other effects primarily including strategic vacancies linked to current redevelopment programs for **-0.2 points**, representing Euro -0.3 million.

Taking into account the first four effects presented above, organic growth in invoiced rents shows an increase of **+3.9 points**.

Lease rights and despecialization indemnities[28] billed over the period are not significant. After taking into account deferrals over the firm period of leases as required under IFRS, lease rights for 2024 totaled Euro 0.4 million, compared with Euro 0.5 million for 2023.

Rental revenues therefore came to Euro 179.5 million at December 31, 2024, up +0.9% from end-2023.

[28] Compensation paid by a tenant to modify the purpose of their lease and be able to perform an activity other than that originally specified in the lease agreement.

Net rental income is up +0.8% from 2023 to Euro 172.3 million. It corresponds to the difference between rental revenues and the costs that are directly allocated to the sites. These costs include property taxes and service charges that are not billed back to tenants, as well as net property operating expenses (primarily fees paid to the property manager that are not re-invoiced and various charges relating directly to site operations).

The costs included in the calculation of net rental income represent Euro 7.2 million for 2024, compared with Euro 7.1 million in 2023. The ratio of non-recovered property operating expenses to invoiced rents came to 4.0% for 2024, stable compared with 2023.

5.2. Management income, operating costs and EBITDA

(In thousands of euros)	Dec 31, 2023	Dec 31, 2024	Change (%)
Net rental income	**170,924**	**172,314**	**+0.8%**
Management, administrative and other activities income	3,078	3,239	+5.2%
Other income and expenses	-4,433	-7,865	+77.4%
Personnel expenses	-20,169	-20,526	+1.8%
EBITDA	**149,400**	**147,162**	**-1.5%**
% rental revenues	***83.9%***	***82.0%***	**-**

Management, administrative and other activities income primarily comprises fees charged for services provided by certain Mercialys teams – in connection with advisory services provided by the asset management team, or shopping center management services provided by the teams on site – as well as letting, asset management and advisory fees relating to partnerships formed.

Fees charged in 2024 totaled Euro 3.2 million, compared with Euro 3.1 million for 2023.

No **property development margin** was recorded in 2024.

In 2024, no significant **other current income** was recorded. **Other current expenses** mainly comprise overheads. Overheads primarily include financial communications costs, remuneration paid to members of the Board of Directors, corporate communications costs, shopping center communications costs, marketing research costs, professional fees (statutory auditors, consulting, research) and real estate portfolio appraisal costs. For 2024, these expenses totaled Euro 7.9 million, compared with Euro 4.4 million in 2023.

Personnel expenses came to Euro 20.5 million in 2024, following a limited increase compared with 2023 (Euro 20.2 million). A portion of the personnel expenses may be charged back as fees, in connection with advisory services provided by the asset management team or shopping center management services provided by Mercialys' teams on site (see paragraph above concerning management, administrative and other activities income).

As a result, **EBITDA**[29] came to Euro 147.2 million in 2024, compared with Euro 149.4 million in 2023. The EBITDA margin was 82.0% (vs. 83.9% at December 31, 2023).

[29] Earnings before interest, tax, depreciation and amortization

5.3. Net financial items

The **net financial items** taken into account to calculate net recurrent earnings represent a Euro 27.2 million net expense at December 31, 2024, reflecting a significant improvement compared with December 31, 2023 (Euro 29.6 million). This trend benefited from the proceeds from cash investments over the period, as well as the financial restructuring carried out in September 2024 (section II of this release).

This amount does not take into account non-recurring items, such as hedging ineffectiveness, the banking default risk, bond redemption premiums and costs, proceeds from unwinding hedging products and exceptional amortization. In connection with the debt restructuring carried out in September 2024, premiums and additional amortization were recorded in the accounts as a result of the redemption of a bond issue. These impacts are presented in the detailed breakdown of net financial items below:

(In thousands of euros)	**Dec 31, 2023**	**Dec 31, 2024**	**Change (%)**
Income from cash and cash equivalents *(a)*	**3,185**	**6,727**	**na**
Cost of debt taken out *(b)*	-34,730	-35,148	+1.2%
Impact of hedging instruments *(c)*	2,359	3,395	+43.9%
Cost of property finance leases *(d)*	0	0	na
Gross finance costs excluding exceptional items	**-32,370**	**-31,753**	**-1.9%**
Exceptional amortization of costs relating to the early repayment of financial debt *(e)*	0	-1,654	na
Gross finance costs *(f) = (b)+(c)+(d)+(e)*	**-32,370**	**-33,407**	**+3.2%**
Net finance costs *(g) = (a)+(f)* [30]	**-29,186**	**-26,680**	**-8.6%**
Cost of revolving credit facility and bilateral loans (undrawn) *(h)*	-2,572	-2,764	+7.5%
Other financial expenses *(i)*	-436	-418	-4.0%
Other financial expenses excluding exceptional items *(j) = (h)+(i)*	**-3,008**	**-3,182**	**+5.8%**
Costs on redemption operations and restructuring of debt and hedging instruments *(k)*	-8,900	-17,951	na
Other financial expenses *(l) = (j)+(k)*	**-11,908**	**-21,133**	**+77.5%**
Total financial expenses (m) = (f)+(l)	**-44,279**	**-54,540**	**+23.2%**
Income from associates	773	771	-0.3%
Other financial income	0	0	na
Other financial income *(n)*	**773**	**771**	**-0.3%**
Total financial income *(o) = (a)+(n)*	**3,958**	**7,498**	**+89.4%**
NET FINANCIAL ITEMS = *(m)+(o)*	**-40,321**	**-47,041**	**+16.7%**

[30] In accordance with the conditions for calculation set by the covenants for the Company's bank lines, net finance costs do not include the net expense linked to the non-recurring bond redemption premiums, costs and amortization, as well as the proceeds and costs from unwinding hedging operations

5.4. Net recurrent earnings (NRE) and net income attributable to owners of the parent

5.4.1. NRE

(In thousands of euros)	Dec 31, 2023	Dec 31, 2024	Change (%)
EBITDA	**149,400**	**147,162**	**-1.5%**
Net financial income (excluding non-recurring items [31])	-29,593	-27,213	-8.0%
Reversals of / (Allowances for) provisions	-4,774	-901	-81.1%
Other operating income and expenses (excluding capital gains or losses on disposals and impairment)	2,179	908	-58.3%
Tax expense	-634	-594	-6.3%
Share of net income from associates and joint ventures (excluding capital gains or losses, amortization and impairment)	3,574	3,431	-4.0%
Non-controlling interests (excluding capital gains or losses, amortization and impairment)	-11,191	-9,664	-13.6%
NRE	**108,961**	**113,129**	**+3.8%**
NRE per share[32]	***1.17***	***1.21***	***+3.7%***

Other operating income and expenses (excluding capital gains or losses on disposals and impairment) came to Euro +0.9 million (Euro +2.2 million at end-2023), primarily reflecting the impact of net reversals of provisions. Specifically, a Euro 2.1 million provision for a dispute concerning a site on Reunion Island, relating to an issue with the road network, was reversed at the end of June 2023.

The tax regime for French real estate investment trusts (SIIC) exempts them from paying tax on their income from real estate activities, provided that at least 95% of income from rental activities and 70% of gains or losses on the disposal of real estate assets are distributed to shareholders. The tax expenses recorded by Mercialys therefore concern the corporate value-added tax (CVAE), corporate income tax on activities that do not fall under the SIIC regime and deferred taxes.

2024 recorded a **tax expense** taken into account to calculate net recurrent earnings of Euro 0.6 million, primarily comprising the CVAE corporate value-added tax, stable compared with the end of 2023.

The **share of net income from associates and joint ventures (excluding capital gains or losses, amortization and impairment)** came to Euro 3.4 million at December 31, 2024, compared with Euro 3.6 million at December 31, 2023. The companies consolidated under the equity method in Mercialys' consolidated financial statements are SCI AMR (created in partnership with Amundi Immobilier in 2013 and in which Mercialys has a 25% stake), SNC Aix2 (in which Mercialys acquired a 50% stake in December 2013, with Altarea Cogedim owning the other 50%), Corin Asset Management SAS (in which Mercialys has a 40% stake), SAS Saint-Denis Genin (in which Mercialys has a 30% stake), DEPUR Expériences (in which Mercialys has a 22.9% stake) and Imocom Partners (in which Mercialys has a 30% stake). Over the year, the change in financing conditions for the SCI AMR scope offset the positive impact of indexation on rental income for these companies.

Non-controlling interests (excluding capital gains, amortization and impairment) came to Euro 9.7 million at December 31, 2024, compared with Euro 11.2 million at December 31, 2023. They are linked to the 49% stake held by BNP Paribas REIM France in the companies Hyperthetis Participations and Immosiris. As Mercialys retains exclusive control, these

[31] Impact of hedging ineffectiveness, banking default risk, premiums, non-recurring amortization and costs relating to bond redemptions, proceeds and costs from unwinding hedging operations

[32] Calculated based on the average undiluted number of shares (basic), i.e. 93,435,731 shares

subsidiaries are fully consolidated. The decrease in minority interests reflects the disposal of the four hypermarkets 49%-owned by BNP Paribas REIM through Hyperthetis, completed in July 2024.

In view of these items, **net recurrent earnings**[33] came to Euro 113.1 million (compared with Euro 109.0 million for 2023), up +3.8%. Considering the average number of shares (basic) at end-December, net recurrent earnings represent Euro 1.21 per share at December 31, 2024 (+3.7% over the period), outperforming the full-year target for growth of over +2.0%.

5.4.2. Net income (Group share)

(In thousands of euros)	Dec 31, 2023	Dec 31, 2024	Change (%)
NRE	108,961	113,129	+3.8%
Depreciation and amortization	-38,540	-37,828	-1.8%
Other operating income and expenses	-22,447	-7,195	-67.9%
Hedging ineffectiveness, banking default risk and net impact of bond redemptions and hedging operations	-10,589	-20,028	+89.1%
Share of net income from associates, joint ventures and non-controlling interests (amortization, impairment and capital gains or losses)	15,987	5,681	-64.5%
Net income (Group share)	**53,373**	**53,759**	**+0.7%**

Depreciation and amortization came to Euro 37.8 million in 2024, compared with Euro 38.5 million at December 31, 2023, with this change reflecting the investments made by Mercialys over the period.

Other operating income and expenses not included in net recurrent earnings correspond notably to the amount of net capital gains or losses on property disposals and provisions for impairment of assets.

Other operating income came to Euro 153.0 million at December 31, 2024, compared with Euro 7.2 million at December 31, 2023. This amount mainly includes:
- income from disposals (Euro 144.3 million);
- income relating to adjustments for previous sales (Euro 1.6 million);
- reversals of impairments for investment properties (Euro 7.2 million).

Other operating expenses totaled Euro -160.2 million at December 31, 2024, compared with Euro -29.6 million at December 31, 2023. They correspond primarily to:
- the net book value of the assets sold (Euro -146.9 million);
- expenses relating to adjustments for previous sales (Euro -3.9 million);
- provisions recorded for the impairment of investment properties (Euro -9.3 million).

The amount of net capital gains or losses recorded in the consolidated financial statements at December 31, 2024 came to Euro -2.6 million (vs. Euro +1.5 million for 2023).

Lastly, in 2024, Mercialys recorded various impacts for the refinancing operations presented in section II of this press release, including the redemption premium for the bond issue due to mature in July 2027 and the exceptional amortization also resulting from this redemption. These amounts, combined with the impact of the ineffectiveness of swaps, the banking default risk and the net proceeds and costs linked to unwinding hedging operations in connection with the bond debt, represent a total of Euro 19.9 million.

[33] Net recurrent earnings correspond to net income before amortization, gains or losses on disposals net of associated fees, potential asset impairments and other non-recurring effects

Net income attributable to owners of the parent, as defined by IFRS, came to Euro 53.8 million for 2024, compared with Euro 53.4 million for 2023.

5.5. Financial structure

5.5.1. Cash, cost of debt and debt structure

Cash and cash equivalents came to Euro 283.7 million at December 31, 2024, compared with Euro 118.2 million at December 31, 2023. The main cash flows that impacted the change in Mercialys' cash position over the period were as follows:

- net cash flow from operating activities during the period: Euro +161.5 million;
- cash receipts / payments related to disposals / acquisitions of assets completed in 2024: Euro +102.2 million;
- dividend payments to parent company shareholders and non-controlling interests: Euro -153.5 million;
- Issues and repayment of borrowings net of the change in outstanding commercial paper: Euro +96.7 million;
- net interest paid: Euro -36.7 million.

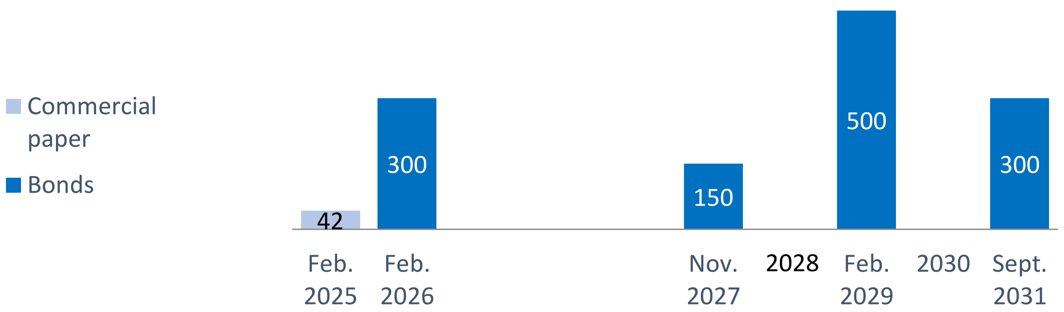
At December 31, 2024, Mercialys' **drawn debt** totaled Euro 1,292 million, with the following breakdown:

- A bond issue for a nominal amount of Euro 300 million, with a fixed coupon of 1.8%, maturing in February 2026;
- A private bond placement for a nominal amount of Euro 150 million, with a fixed coupon of 2.0%, maturing in November 2027;
- A bond issue for a nominal amount of Euro 500 million, with a fixed coupon of 2.5%, maturing in February 2029;
- A bond issue for a nominal amount of Euro 300 million, with a fixed coupon of 4.0%, maturing in September 2031;
- Euro 42 million of outstanding commercial paper, with an average rate of around 3.0%.

The **real average cost of drawn debt** remained under control at 2.0% at December 31, 2024, showing an improvement of 20bp compared with June 30, 2024 and 30bp versus end-2023. The proceeds from cash investments and the favorable impact of the financial restructuring carried out in September 2024 (section II of this press release) offset the extinguishing of the fixed/floating rate products set up in previous years.

The **average maturity of drawn debt**, including commercial paper, was 3.8 years at end-December 2024, compared with 3.3 years at end-June 2024 and 3.8 years at December 31, 2023.

Mercialys' drawn debt maturity schedule (in millions of euros) at December 31, 2024:



In a context of high interest rate volatility, Mercialys maintained a **fixed-rate debt position of 99%** at end-December 2024 (including commercial paper). Considering the hedging instruments in place, and the historical fixed/floating rate products gradually extinguished, the fixed-rate debt level (at constant debt level) is expected to be 96% at end-2025.

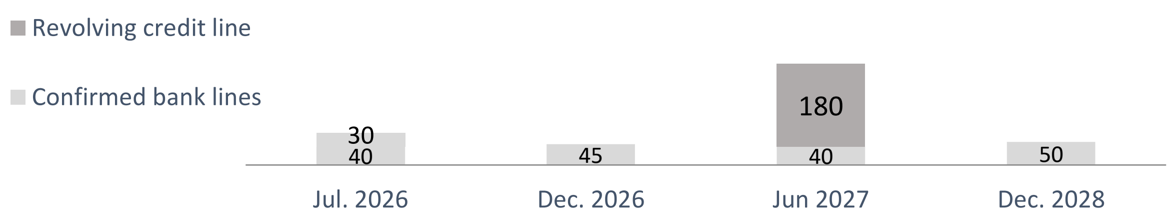
Net financial debt came to Euro 1,002.9 million at December 31, 2024, compared with Euro 1,063.6 million at December 31, 2023.

Mercialys also has Euro 385 million of **undrawn financial resources**, enabling it to benefit from a satisfactory level of liquidity:

- A Euro 180 million revolving bank credit facility, due in June 2027. The Euribor margin is 155bp (for a BBB rating); if undrawn, this facility is subject to payment of a non-use fee representing 40% of the margin;
- Five bilateral confirmed bank facilities for a total of Euro 205 million, maturing between July 2026 and December 2028. The Euribor margins are 155 basis points or lower (for a BBB rating) or fixed rate; if undrawn, these facilities are subject to payment of a non-use fee representing up to 40% of the margins;
- A commercial paper program set up during the second half of 2012, with Euro 42 million used (outstanding at December 31, 2024).

All of the undrawn bank resources include ESG criteria.

Mercialys' undrawn debt maturity schedule (in millions of euros) at December 31, 2024:



5.5.2. Bank covenants and credit rating

Mercialys' financial position at December 31, 2024 continued to be very healthy and satisfied all the covenants included in the various credit agreements.

The **loan to value (LTV) ratio excluding transfer taxes** came to 38.2% at end-December 2024, compared with 38.9% at end-December 2023 and 40.0% at June 30, 2024, well below the contractual covenant of 55% applying to the confirmed bank lines. The **LTV including transfer taxes** was 35.7% at end-December 2024, compared with 36.4% at end-December 2023 and 37.4% at June 30, 2024.

	Dec 31, 2023	Dec 31, 2024
Net financial debt (in millions of euros)	1,063.6	1,002.9
Appraisal value excluding transfer taxes (in millions of euros)[34]	2,737.4	2,627.5
Loan to value (LTV) - excluding transfer taxes	**38.9%**	**38.2%**

[34] Including the market value of investments in associates for Euro 43.9 million for 2024 and Euro 45.1 million for 2023, since the value of the portfolio held by associates is not included in the appraisal value

Similarly, the **interest coverage ratio (ICR)** was 5.5x at end-December 2024, significantly higher than the contractual covenant (ICR > 2x), compared with 5.1x at end-December 2023 and 5.5x at end-June 2024.

	Dec 31, 2023	Dec 31, 2024
EBITDA (€m)	149.4	147.2
Net finance costs (€m) [35]	-29.2	-26.7
Interest coverage ratio (ICR)	**5.1x**	**5.5x**

The two other contractual covenants are also met:
- the **fair value of assets excluding transfer taxes** at December 31, 2024 was Euro 2.6 billion, above the contractual covenant minimum, which sets a fair value of investment properties excluding transfer taxes of over Euro 1 billion;
- zero **pledged debt** at December 31, 2024, below the covenant, which caps the pledged debt to fair value ratio excluding transfer taxes at 20%.

Mercialys is rated by Standard & Poor's, which confirmed Mercialys' **BBB / stable outlook** rating on October 24, 2024.

5.6. Equity and ownership structure

Consolidated equity totaled Euro 762.0 million at December 31, 2024, compared with Euro 866.1 million at December 31, 2023.

The main changes that affected consolidated equity during the year were as follows:
- net income for 2024: Euro +56.7 million;
- payment of the 2023 dividend of Euro 0.99 per share and dividends paid to non-controlling interests: Euro -153.5 million;
- Transactions on treasury shares: Euro -2.5 million;
- Change in fair value of financial assets and derivatives: Euro -4.7 million.

The **number of outstanding shares** at December 31, 2024 was 93,886,501, unchanged since December 31, 2023.

	2022	2023	2024
Number of shares outstanding			
- At start of period	93,886,501	93,886,501	93,886,501
- At end of period	93,886,501	93,886,501	93,886,501
Average number of shares outstanding	93,886,501	93,886,501	93,886,501
Average number of shares (basic)	**93,384,221**	**93,305,357**	**93,435 731**
Average number of shares (diluted)	**93,384,221**	**93,305,357**	**93,435 731**

At December 31, 2024, Mercialys' shareholding structure had the following breakdown: treasury stock (0.87%), other shareholders (99.13%).
A shareholder informed the AMF that it held more than 5.0% of the capital or voting rights: BlackRock Inc, acting on behalf of clients and funds under management, held 5,624,902 shares, representing 5.99% of the capital and voting rights, as of November 20, 2024.

[35] In accordance with the conditions for calculation set by the covenants for the Company's bank lines, net finance costs do not include the net expense linked to the non-recurring bond redemption premiums, costs and amortization, as well as the proceeds and costs from unwinding hedging operations

5.7. Dividend

Mercialys' Board of Directors will submit a proposal at the General Meeting on April 29, 2025 for a dividend of **Euro 1.00 per share**, compared with a dividend of Euro 0.99 per share for 2023. The payout corresponds to 83% of 2024 NRE and offers a yield of 6.1% on the NDV of Euro 16.45 per share at end-2024 and 9.9% on the year's closing price.
For the last three years, Mercialys will have paid out Euro 2.95 of dividends, representing 84% of its recurrent earnings and providing an average yield of 9.9% for its shareholders over this period.

This proposed dividend for 2024 is based on the distribution requirement with the SIIC tax status concerning exempt profits from:

- property rental or sub-letting operations (including dividends paid by the subsidiaries subject to the SIIC system), i.e. Euro 0.78 per share;
- the distribution of exempt income recorded on the Company's balance sheet for Euro 0.22 per share.

The ex-dividend date is May 2, 2025, with the dividend to be paid on May 6, 2025.

Changes in scope and valuation of the asset portfolio

5.8. Disposals and investments

In July 2024, Mercialys completed the disposal of four hypermarkets in which it had a 51% interest, with the remaining 49% owned by a fund managed by BNP Paribas REIM, as well as ancillary lots belonging to the Company, for a total net sales price of Euro 117.5 million. These hypermarkets were operated by Auchan, with this divestment operation helping balance the Company's rental exposure between the various food operators.

In addition, Mercialys sold geographically dispersed assets for a combined net sales price of Euro 7.9 million, as well as the non-strategic centers in Rodez and Montauban for a total net sales price of Euro 9.9 million.

These arbitrage operations enabled Mercialys to further strengthen its already solid financial position and its ability to roll out a strategy for growth, through its development pipeline or asset acquisitions, as described in section III of this press release.

5.9. Appraisal valuations and changes in scope

Mercialys' property portfolio is appraised twice yearly by independent experts.

At December 31, 2024, BNP Paribas Real Estate Valuation, Catella Valuation, Jones Lang LaSalle, CBRE and BPCE Expertises Immobilières updated their valuation of Mercialys' portfolio:

- BNP Paribas Real Estate Valuation conducted the appraisal of 17 sites at December 31, 2024, based on an on-site inspection of six sites during the second half of 2024 and an update of the June 30, 2024 appraisals for the other sites;
- Catella Valuation conducted the appraisal of 12 sites at December 31, 2024, based on an update of the appraisals carried out at June 30, 2024;

- Jones Lang LaSalle valued five sites at December 31, 2024, based on on-site inspections of all five sites during the second half of 2024;
- CBRE valued one site at December 31, 2024 based on an on-site inspection during the second half of 2024;
- BPCE Expertises Immobilières conducted the appraisal of 16 sites at December 31, 2024, based on an update of the appraisals carried out at June 30, 2024.

On this basis, the **portfolio value** was Euro 2,761.2 million including transfer taxes at December 31, 2024, up +1.3% like-for-like from end-2023. The appraisal value excluding transfer taxes is up +1.1% like-for-like, with the positive impact of rental income (+3.3%) offsetting the impact of a slight increase in rates.

	Appraisal value at Dec 31, 2024	Current basis		Like-for-like [36]	
		Change over last 6 months	Change over last 12 months	Change over last 6 months	Change over last 12 months
Value excluding transfer taxes	2,583.7	-4.3%	-4.0%	+0.7%	**+1.1%**
Value including transfer taxes	2,761.2	-4.1%	-3.9%	+0.9%	**+1.3%**

The **average appraisal yield rate** was 6.65% at December 31, 2024, compared with 6.68% at June 30, 2024 and 6.61% at end-2023. This change shows a positive yield spread of 344bp compared with the risk-free rate (10-year OAT) at end-December.

Type of property	Average yield rate Dec 31, 2023	Average yield rate Jun 30, 2024	Average yield rate Dec 31, 2024
Regional and large shopping centers	6.34%	6.47%	6.44%
Neighborhood shopping centers	8.26%	7.99%	8.15%
Total portfolio [37]	**6.61%**	**6.68%**	**6.65%**

The following table presents the breakdown of Mercialys' portfolio by fair value and gross leasable area (GLA) by type of property at December 31, 2024, as well as the corresponding appraised rental income:

Type of property	Number of assets Dec 31, 2024	Appraisal value (excl. transfer taxes) Dec 31, 2024		Appraisal value (incl. transfer taxes) Dec 31, 2024		Gross leasable area Dec 31, 2024		Appraised potential net rental income	
		(€m)	(%)	(€m)	(%)	(sq.m)	(%)	(€m)	(%)
Regional and large shopping centers	25	2,240.6	86.7%	2,394.4	86.7%	574,544	81.7%	154.3	84.0%
Neighborhood shopping centers	19	331.1	12.8%	354.0	12.8%	124,762	17.7%	28.9	15.7%
Subtotal	**44**	**2,571.7**	**99.5%**	**2,748.4**	**99.5%**	**699,306**	**99.4%**	**183.2**	**99.7%**
Other sites	2	12.0	0.5%	12.8	0.5%	3,987	0.6%	0.5	0.3%
Total	**46**	**2,583.7**	**100%**	**2,761.2**	**100%**	**703,293**	**100%**	**183.6**	**100%**

[36] Sites on a constant scope and a constant surface area basis
[37] Including the two dispersed assets

6. Outlook

Net recurrent earnings for 2025, reflecting a solid underlying operational performance, will be impacted in particular by the disposals completed in 2024 and the upcoming refinancing of the bond issue due to mature in February 2026. Mercialys has therefore set itself the following objectives:

- NRE per share of Euro 1.22 to Euro 1.25;
- Dividend per share of at least Euro 1.00.

7. Subsequent events

No significant events occurred after the close of the 2024 financial year.

8. EPRA performance measurements

Mercialys applies the EPRA[38] recommendations for the

indicators provided below. EPRA is the representative organization for listed real estate companies in Europe and issues recommendations on performance indicators to improve the comparability of financial statements published by the various companies.
In its half-year financial report and its Universal Registration Document, Mercialys publishes all the EPRA indicators defined by the Best Practices Recommendations, which can be found on EPRA's website. The following table summarizes the EPRA indicators at end-December 2024, end-June 2024 and end-December 2023:

	Dec 31, 2023	Jun 30, 2024	Dec 31, 2024
EPRA earnings (€ per share)	1.17	0.63	1.21
EPRA NRV (€ per share)	18.25	17.80	18.23
EPRA NTA (€ per share)	16.29	15.85	16.29
EPRA NDV (€ per share)	17.10	16.53	16.45
EPRA net initial yield (%)	5.97%	6.04%	5.93%
EPRA topped-up net initial yield (%)	6.05%	6.13%	6.04%
EPRA vacancy rate (%)	4.4%	4.4%	4.1%
EPRA cost ratio - including direct vacancy costs (%)	17.8%	18.6%	19.8%
EPRA cost ratio - excluding direct vacancy costs (%)	16.1%	17.0%	18.1%
EPRA capital expenditure (€m)	22.5	11.0	28.8
EPRA LTV (%)	41.2%	42.4%	40.2%
EPRA LTV including transfer taxes (%)	38.7%	39.8%	37.7%

8.1. EPRA earnings and earnings per share

The following table shows the relationship between net income attributable to owners of the parent and net recurrent earnings per share as defined by EPRA:

(In millions of euros)	**Dec 31, 2023**	**Jun 30, 2024**	**Dec 31, 2024**
Net income attributable to owners of the parent	**53.4**	**36.3**	**53.8**
Share of net income from associates and joint ventures and non-controlling interests (amortization, depreciation and capital gains or losses)	-16.0	-0.2	-5.7
Hedging ineffectiveness, banking default risk and net impact of bond redemptions and hedging operations	10.6	4.4	20.0
Other operating income and expenses	22.4	-0.2	7.2
Depreciation and amortization	38.5	19.1	37.8
EPRA earnings	**109.0**	**59.3**	**113.1**
Average number of shares (basic)	93,305,357	93,483,692	93,435 731
EPRA earnings per share (€)	**1.17**	**0.63**	**1.21**

The calculation of the net recurrent earnings reported by Mercialys is identical to that for the EPRA earnings. There are no adjustments to be made between these two indicators.

[38] European Public Real Estate Association

8.2. EPRA net asset value (NRV, NTA, NDV)

(In millions of euros)	Dec 31, 2023 EPRA NRV	EPRA NTA	EPRA NDV
IFRS equity attributable to shareholders	**677.2**	**677.2**	**677.2**
Includes [39] / Excludes [40]:			
i) Hybrid instruments	0.0	0.0	0.0
Diluted EPRA NAV	**677.2**	**677.2**	**677.2**
Includes[39]:			
ii.a) Revaluation of IP (if IAS 40 cost option is used)	843.8	843.8	843.8
ii.b) Revaluation of IPUC [41] (if IAS 40 cost option is used)	0.0	0.0	0.0
ii.c) Revaluation of other non-current investments [42]	10.9	10.9	10.9
iii) Revaluation of tenant leases held as finance leases [43]	0.0	0.0	0.0
iv) Revaluation of trading properties [44]	0.0	0.0	0.0
EPRA diluted NAV at fair value	**1,532.0**	**1,532.0**	**1,532.0**
Excludes [40]:			
v) Deferred tax in relation to fair value gains of IP [45]	0.0	0.0	
vi) Fair value of financial instruments	-9.2	-9.2	
vii) Goodwill as a result of deferred tax	0.0	0.0	0.0
viii.a) Goodwill as per the IFRS balance sheet		0.0	0.0
viii.b) Intangibles as per the IFRS balance sheet		-3.1	
Includes [39]:			
ix) Fair value of fixed interest rate debt			62.6
x) Revaluation of intangibles to fair value	0.0		
xi) Real estate transfer tax [46]	179.7	0.0	
NAV	**1,702.5**	**1,519.7**	**1,594.6**
Fully diluted number of shares at end of period	93,278,112	93,278,112	93,278,112
NAV per share (€)	**18.25**	**16.29**	**17.10**

[39] "Includes" indicates that an asset (whether on or off-balance sheet) should be added to shareholders' equity, whereas a liability should be deducted
[40] "Excludes" indicates that an asset (part of the balance sheet) is reversed, whereas a liability (part of the balance sheet) is added back
[41] Difference between development property held on the balance sheet at cost and fair value of that development property
[42] Revaluation of intangibles to be presented under adjustment (x) Revaluation of intangibles to fair value and not under this line
[43] Difference between finance lease receivables held on the balance sheet at amortized cost and the fair value of those finance lease receivables
[44] Difference between trading properties held on the balance sheet at cost (IAS 2) and the fair value of those trading properties
[45] Deferred tax adjustments are presented on page 15 of the EPRA Best Practices Recommendations Guidelines
[46] Real estate transfer tax adjustments are presented on page 17 of the EPRA Best Practices Recommendations Guidelines

(In millions of euros)	Jun 30, 2024 EPRA NRV	EPRA NTA	EPRA NDV
IFRS equity attributable to shareholders	**623.6**	**623.6**	**623.6**
Includes[47] / Excludes[48]:			
i) Hybrid instruments	0.0	0.0	0.0
Diluted EPRA NAV	**623.6**	**623.6**	**623.6**
Includes [43]:			
ii.a) Revaluation of IP (if IAS 40 cost option is used)	860.3	860.3	860.3
ii.b) Revaluation of IPUC[49] (if IAS 40 cost option is used)	0.0	0.0	0.0
ii.c) Revaluation of other non-current investments [50]	10.4	10.4	10.4
iii) Revaluation of tenant leases held as finance leases [51]	0.0	0.0	0.0
iv) Revaluation of trading properties [52]	0.0	0.0	0.0
EPRA diluted NAV at fair value	**1,494.2**	**1,494.2**	**1,494.2**
Excludes [44]:			
v) Deferred tax in relation to fair value gains of IP [53]	0.0	0.0	
vi) Fair value of financial instruments	-9.8	-9.8	
vii) Goodwill as a result of deferred tax	0.0	0.0	0.0
viii.a) Goodwill as per the IFRS balance sheet		0.0	0.0
viii.b) Intangibles as per the IFRS balance sheet		-3.2	
Includes [43]:			
ix) Fair value of fixed interest rate debt			50.8
x) Revaluation of intangibles to fair value	0.0		
xi) Real estate transfer tax [54]	179.3	0.0	
NAV	**1,663.8**	**1,481.2**	**1,545.0**
Fully diluted number of shares at end of period	93,448,370	93,448,370	93,448,370
NAV per share (€)	**17.80**	**15.85**	**16.53**

[47] "Includes" indicates that an asset (whether on or off-balance sheet) should be added to shareholders' equity, whereas a liability should be deducted
[48] "Excludes" indicates that an asset (part of the balance sheet) is reversed, whereas a liability (part of the balance sheet) is added back
[49] Difference between development property held on the balance sheet at cost and fair value of that development property
[50] Revaluation of intangibles to be presented under adjustment (x) Revaluation of intangibles to fair value and not under this line
[51] Difference between finance lease receivables held on the balance sheet at amortized cost and the fair value of those finance lease receivables
[52] Difference between trading properties held on the balance sheet at cost (IAS 2) and the fair value of those trading properties
[53] Deferred tax adjustments are presented on page 15 of the EPRA Best Practices Recommendations Guidelines
[54] Real estate transfer tax adjustments are presented on page 17 of the EPRA Best Practices Recommendations Guidelines

(In millions of euros)	Dec 31, 2024 EPRA NRV	 EPRA NTA	 EPRA NDV
IFRS equity attributable to shareholders	**631.1**	**631.1**	**631.1**
Includes[55] / Excludes[56]:			
i) Hybrid instruments	0.0	0.0	0.0
Diluted EPRA NAV	**631.1**	**631.1**	**631.1**
Includes [51]:			
ii.a) Revaluation of IP (if IAS 40 cost option is used)	880.2	880.2	880.2
ii.b) Revaluation of IPUC [57] (if IAS 40 cost option is used)	0.0	0.0	0.0
ii.c) Revaluation of other non-current investments [58]	10.1	10.1	10.1
iii) Revaluation of tenant leases held as finance leases [59]	0.0	0.0	0.0
iv) Revaluation of trading properties [60]	0.0	0.0	0.0
EPRA diluted NAV at fair value	**1,521.4**	**1,521.4**	**1,521.4**
Excludes [52]:			
v) Deferred tax in relation to fair value gains of IP [61]	0.0	0.0	
vi) Fair value of financial instruments	-2.3	-2.3	
vii) Goodwill as a result of deferred tax	0.0	0.0	0.0
viii.a) Goodwill as per the IFRS balance sheet		0.0	0.0
viii.b) Intangibles as per the IFRS balance sheet		-3.4	
Includes [51]:			
ix) Fair value of fixed interest rate debt			9.6
x) Revaluation of intangibles to fair value	0.0		
xi) Real estate transfer tax [62]	177.5	0.0	
NAV	**1,696.6**	**1,515.6**	**1,531.0**
Fully diluted number of shares at end of period	93,067,643	93,067,643	93,067,643
NAV per share (€)	**18.23**	**16.29**	**16.45**

[55] "Includes" indicates that an asset (whether on or off-balance sheet) should be added to shareholders' equity, whereas a liability should be deducted
[56] "Excludes" indicates that an asset (part of the balance sheet) is reversed, whereas a liability (part of the balance sheet) is added back
[57] Difference between development property held on the balance sheet at cost and fair value of that development property
[58] Revaluation of intangibles to be presented under adjustment (x) Revaluation of intangibles to fair value and not under this line
[59] Difference between finance lease receivables held on the balance sheet at amortized cost and the fair value of those finance lease receivables
[60] Difference between trading properties held on the balance sheet at cost (IAS 2) and the fair value of those trading properties
[61] Deferred tax adjustments are presented on page 15 of the EPRA Best Practices Recommendations Guidelines
[62] Real estate transfer tax adjustments are presented on page 17 of the EPRA Best Practices Recommendations Guidelines

8.3. EPRA Net Initial Yield and EPRA "topped-up" Net Initial Yield

The following table presents the transition between the yield rate reported by Mercialys and the yield rates defined by EPRA:

(In millions of euros)	Dec 31, 2023	Jun 30, 2024	Dec 31, 2024
Investment property – wholly owned	2,692.3	2,700.0	2,583.7
Assets under development (-)	0.0	0.0	0.0
Completed property portfolio excluding transfer taxes	**2,692.3**	**2,700.0**	**2,583.7**
Transfer taxes	179.7	179.3	177.5
Completed property portfolio including transfer taxes	**2,872.0**	**2,879.4**	**2,761.2**
Annualized rental revenues	178.8	181.3	171.1
Non-recoverable expenses (-)	-7.4	-7.4	-7.3
Annualized net rents	**171.4**	**173.9**	**163.8**
Notional gain relating to expiration of step-up rents, rent-free periods or other lease incentives	2.3	2.6	3.0
Topped-up net annualized rent	**173.7**	**176.5**	**166.9**
EPRA net initial yield	**5.97%**	**6.04%**	**5.93%**
EPRA "Topped-up" Net Initial Yield	**6.05%**	**6.13%**	**6.04%**

8.4. EPRA vacancy rate

The vacancy rate is calculated based on: rental value of vacant units / (annualized minimum guaranteed rent on occupied units + rental value of vacant units).

The EPRA vacancy rate was 4.1% at end-December 2024, showing an improvement compared with the end of June 2024 and end-December 2023 (4.4%). "Strategic" vacancies following decisions to facilitate extension or redevelopment plans represent 119bp within this vacancy rate.

(In millions of euros)	Dec 31, 2023	Jun 30, 2024	Dec 31, 2024
Rental value of vacant units	8.2	8.3	7.3
Rental value of the entire portfolio	185.5	189.4	179.1
EPRA vacancy rate	**4.4%**	**4.4%**	**4.1%**

8.5. EPRA cost ratios

(In millions of euros)	Dec 31, 2023	Jun 30, 2024	Dec 31, 2024	Comments
Administrative and operating expense line per IFRS income statement	-24.6	-12.9	-28.4	Personnel expenses and other costs
Net service charge costs / fees	-5.9	-4.3	-6.0	Property taxes and non-recovered service charges (including vacancy costs)
Rental management fees	3.1	1.7	3.3	Rental management fees
Other income and expenses	-4.3	-1.6	-4.5	Other property operating income and expenses excluding management fees
Share of joint venture administrative and operating expenses	0.0	0.0	0.0	
Total	**-31.7**	**-17.0**	**-35.6**	
Adjustments to calculate the EPRA cost ratio exclude (if included above):				
- Depreciation and amortization	0.0	0.0	0.0	Depreciation and provisions for fixed assets
- Ground rent costs	0.0	0.0	0.0	Non-group rents paid
- Service charges recovered through comprehensive invoicing (with rent)	0.0	0.0	0.0	
EPRA costs (including vacancy costs) (A)	**-31.7**	**-17.0**	**-35.6**	**A**
Direct vacancy costs [63]	**3.0**	**1.5**	**3.1**	
EPRA costs (excluding vacancy costs) (B)	**-28.7**	**-15.6**	**-32.5**	**B**
Gross rental revenues less ground rent costs [64]	178.0	91.6	179.5	Less costs relating to construction leases and long-term ground leases
Less: service fee and service charge cost components of gross rental revenues	0.0	0.0	0.0	
Plus: share of joint ventures' gross rental revenues (less ground rent costs)	0.0	0.0	0.0	
Rental revenues (C)	**178.0**	**91.6**	**179.5**	**C**
EPRA cost ratio including direct vacancy costs	**17.8%**	**18.6%**	**19.8%**	**A / C**
EPRA cost ratio excluding direct vacancy costs	**16.1%**	**17.0%**	**18.1%**	**B / C**

[63] The EPRA cost ratio deducts all vacancy costs for assets undergoing development / refurbishment if they have been expensed. The costs that can be excluded are property taxes, service charges, contributions to marketing costs, insurance premiums, carbon tax, and any other costs directly related to the property.
[64] Gross rental revenues should be calculated after deducting any ground rent payable. All service charges, management fees and other income in respect of property expenses must be added and not deducted. If the rent includes service charges, these should be restated to exclude them. Tenant incentives may be deducted from rental income, whereas any other costs should be recognized in line with IFRS requirements.

8.6. EPRA capital expenditure

The following table presents the property-related capital expenditure for the period:

(In millions of euros)	Dec 31, 2023			Jun 30, 2024			Dec 31, 2024		
	Group (excluding joint ventures)	Joint ventures (proportionate share)	Group total	Group (excluding joint ventures)	Joint ventures (proportionate share)	Group total	Group (excluding joint ventures)	Joint ventures (proportionate share)	Group total
Acquisitions	2.2	0.0	2.2	0.0	0.0	0.0	1.2	0.0	1.2
Developments	2.1	0.0	2.1	1.2	0.0	1.2	1.7	0.0	1.7
Investment property	17.7	0.0	17.7	9.1	0.0	9.1	24.7	0.0	24.7
Incremental lettable space	*4.8*	*0.0*	*4.8*	*1.4*	*0.0*	*1.4*	*5.4*	0.0	*5.4*
No incremental lettable space	*9.2*	*0.0*	*9.2*	*6.5*	*0.0*	*6.5*	*15.0*	0.0	*15.0*
Tenant incentives	*3.0*	*0.0*	*3.0*	*1.0*	*0.0*	*1.0*	*3.1*	0.0	*3.1*
Other material non-allocated types of expenditure	*0.7*	*0.0*	*0.7*	*0.2*	*0.0*	*0.2*	*1.2*	0.0	*1.2*
Capitalized interest (if applicable)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Capex	**22.0**	**0.0**	**22.0**	**10.3**	**0.0**	**10.3**	**27.5**	**0.0**	**27.5**
Conversion from accrual to cash basis	0.5	0.0	0.5	0.7	0.0	0.7	1.3	0.0	1.3
Total CapEx on cash basis	**22.5**	**0.0**	**22.5**	**11.0**	**0.0**	**11.0**	**28.8**	**0.0**	**28.8**

Capital expenditure relating to **investment property** includes:

- under “incremental lettable space”, primarily work relating to the traditional project portfolio (shopping center transformations, mixed-use urban projects);
- under “no incremental lettable space”, primarily maintenance capex;
- under “other material non-allocated types of expenditure”, expenditure relating to the Company’s IT, its marketing and digital ecosystem, and its CSR approach.

8.7. EPRA LTV

The following table details the loan to value (LTV) ratio, as determined by EPRA. This indicator differs from the calculation carried out by the Company, as presented above, which also represents the reference for the various bank covenants.

Ratio at December 31, 2023

(In millions of euros)		Group	Share of joint-ventures	Interests held	Non-controlling interests	Total
Includes	Borrowings from financial institutions		40.7		-0.7	40.0
	Commercial paper	42.0				42.0
	Hybrids					
	Bond loans	1,139.8				1,139.8
	Foreign currency derivatives (futures, swaps, options and forwards)	-5.8				-5.8
	Net payables		0.3			0.3
	Owner-occupied property (debt)					
	Current accounts (equity characteristic)					
Excludes	Cash and cash equivalents:	-118.2	-4.3		12.3	-110.1
Net debt (a)		**1,057.8**	**36.7**		**11.6**	**1,106.2**
Includes	Owner-occupied property:					
	Investment properties at fair value:	2,692.3	87.1		-154.0	2,625.4
	Properties held for sale					
	Properties under development					
	Intangibles	3.1				3.1
	Net receivables	31.0			-1.3	29.7
	Financial assets	23.5	-4.6	5.4		24.3
Total property value (b)		**2,750.0**	**82.5**	**5.4**	**-155.3**	**2,682.5**
	EPRA LTV (a) / (b)					**41.2%**
	Real estate transfer taxes (c)	**179.7**	**6.2**		**-10.6**	**175.3**
	EPRA LTV including real estate transfer taxes (a) / (b) + (c)					**38.7%**

Ratio at June 30, 2024

(In millions of euros)		Group	Share of joint-ventures	Interests held	Non-controlling interests	Total
Includes	Borrowings from financial institutions		40.5			40.5
	Commercial paper	42.0				42.0
	Hybrids					
	Bond loans	1,142.8				1,142.8
	Foreign currency derivatives (futures, swaps, options and forwards)	-7.5				-7.5
	Net payables		0.1		-1.1	-1.0
	Owner-occupied property (debt)					
	Current accounts (equity characteristic)					
Excludes	Cash and cash equivalents:	-88.2	-3.8		15.6	-76.4
Net debt (a)		**1,089.1**	**36.8**		**14.5**	**1,140.4**
Includes	Owner-occupied property:					
	Investment properties at fair value:	2,578.2	86.6		-95.4	2,569.3
	Properties held for sale	121.9			-55.0	66.8
	Properties under development					
	Intangibles	3.2				3.2
	Net receivables	24.9				24.9
	Financial assets	23.4	-4.6	5.5		24.3
Total property value (b)		**2,751.5**	**81.9**	**5.5**	**-150.5**	**2,688.5**
	EPRA LTV (a) / (b)					**42.4%**
	Real estate transfer taxes (c)	**179.3**	**6.1**		**-10.4**	**175.0**
	EPRA LTV including real estate transfer taxes (a) / (b) + (c)					**39.8%**

Ratio at December 31, 2024

(In millions of euros)		Group	Share of joint-ventures	Interests held	Non-controlling interests	Total
Includes	Borrowings from financial institutions		40.7			40.7
	Commercial paper	42.0				42.0
	Hybrids					
	Bond loans	1,244.6				1,244.6
	Foreign currency derivatives (futures, swaps, options and forwards)	-0.4				-0.4
	Net payables					
	Owner-occupied property (debt)					
	Current accounts (equity characteristic)					
Excludes	Cash and cash equivalents:	-283.7	-3.7		15.9	-271.5
Net debt (a)		**1,002.6**	**37.0**		**15.8**	**1,055.4**
Includes	Owner-occupied property:					
	Investment properties at fair value:	2,583.6	85.9		-95.7	2,573.8
	Properties held for sale					
	Properties under development					
	Intangibles	3.4				3.4
	Net receivables	21.5	0.8		-0.7	21.6
	Financial assets	23.1	-4.6	6.5		25.0
Total property value (b)		**2,631.7**	**82.0**	**6.5**	**-96.4**	**2,623.8**
	EPRA LTV (a) / (b)					**40.2%**
	Real estate transfer taxes (c)	**177.5**	**6.0**		**-6.6**	**177.0**
	EPRA LTV including real estate transfer taxes (a) / (b) + (c)					**37.7%**